

THE CITY OF WICHITA



OFFICE OF THE CITY MANAGER
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November 21, 1991

The Honorable Mayor and
Members of the City Council
City of Wichita
Wichita, Kansas

Dear Mayor and Council Members:

Presented is the City Manager's Adopted 1992/93 Budget. The City Council's policy decisions on public services, capital project construction, and taxing rates included in this operating budget (and the companion Capital Improvement Program) will significantly impact the economic vitality and quality of life in Wichita. This budget is a two-year operating plan (1992 and 1993), and forecasts budgetary requirements for five years (1992-1996).

The Council had the difficult task of balancing the community's needs for services/programs/projects against the City's ability to finance those services.

MAJOR BUDGET ISSUES

All elements of the annual budget are important. Considerable detail on every budget item is contained in this adopted budget and supporting information. Certain key issues are highlighted as the most important addressed by the City Council:

- City Mill Levy -- is 29.6 mills for the 1992 Budget, an increase of .2 mills occasioned by a lower final assessed valuation after the Council adopted the budget anticipating no tax increase.
- Public Safety Services -- continue to receive major enhancements in 1992/93 with the addition of 19 locally funded Police Officers, a new west-side Police station and Fire station, relocation of Fire Station #16 (1992), expanded Fire services for hazardous materials, and the implementation of the new multi-million dollar 800 MHz emergency communications system.
- Cultural/Leisure Service -- enhancements to improve the quality of life in the community are included for 1992/93 in the form of expanded Park recreation programs, expanded computer and branch Library services, and improvements to the Art Museum facility.
- Core Area Initiative -- funding in the amount of \$76 million is included in the Capital Improvement Program for elements of the proposed Core Area plan.
- Employee Wage/Benefit Improvements -- are subject to negotiation between the City and employee groups; the City's goal is a fair and competitive wage/benefit package. Funding is budgeted for a 3.5% pay increase in 1992, and 20% medical insurance cost increases annually in 1992/93.
- Utility Rate Increases -- are required in 1992 and 1993 to finance plant expansion and build a financial reserve in anticipation of large expenditures for a new water supply for the next century.

TOTAL QUALITY MANAGEMENT OF THE PUBLIC'S BUSINESS

As a public business, the City corporation has sought to structure a Business Plan which identifies a Service element of the types of programs/services to be delivered; a Financing element outlining available financial resources to support the programs/services; and a Management element to implement those programs/services as efficiently as possible. Efforts at developing a *Strategic Agenda*, *Performance Measures*; and the *Budget*, ten-year *Capital Improvement Program* and other financial reporting documents support the overall Business Plan.

The annual Budget is directed primarily at the Financing and Service elements of the City's Business Plan -- what services the City provides and how are they financed. Before turning the focus of attention to these resource allocation questions, it seems appropriate to examine equally important, or perhaps even more important, aspects of the performance of our City organization -- citizen satisfaction, quality, innovation, and effectiveness to name only a few. In an ideal world, policy makers would have complete information about the performance of the corporation on which to base short- and long-term decisions about the future. In reality, no corporation (private or public) has all the right information in the right form to make decisions -- no one is perfect. But we can and should evaluate what information we have and what we (reasonably) need to make the best possible decisions. It is stressed that this is not a negative critique of the City corporation. We are not alone in lacking good information about performance; and we can point to some aspects of our performance reporting that are high quality. We should not be deterred, however, from pointing to where we can improve.

"What gets measured gets attention" has been the foundation for elevating financial figures to the pinnacle of public and private sector performance measurements. In the private sector, the emphasis is on rising quarterly earnings; in the public sector, the focus is on holding the line on tax rates at nearly all costs. The problem with financial statements is that they are generally "better at measuring the consequences of yesterday's decisions than they are at indicating tomorrow's performance." Their utility in pointing to needed changes to improve performance is limited. Finances too often become the only available "bottom line" which represents a common denominator for evaluating performance (especially true of a city government with a widely diverse collection of programs and services). This is not to say that financial reporting is meaningless. It is only to note that policy makers should not rely solely on financial reports to answer all the important questions about the quality of programs and services.

Supplementing financial reports, staff recently instituted a new method of reporting to the City Council in the Performance Measures document and the reporting on those measures in monthly departmental reports. This type of reporting is considered an "internal yardstick" that measures current performance in relation to prior period results and the current budget. While it is very important to have an internal measurement which sets goals for improvements, such measures also can result in a sort of complacency if the only competition is always yourself. It can also become the dark side of the Budget if such internal performance measurements become a driving force for always spending budgeted funds (on the basis that if department directors do not spend the money they will not meet their internal performance goals).

External "benchmarking" (comparing your performance and effort with a competitor or peer) offers opportunities to match internal performance against outside standards that "exemplify best practice in some activity, function, or process." Getting outside of the more parochial viewpoint of "internal yardsticks" provides an expanded awareness of possible improvements. In local government, external "benchmarking" has primarily taken the form of information sharing through professional associations of elected officials and public managers. Some efforts at comparative data gathering are done, but usually on a limited (and rarely recurring) basis. A caveat must always be applied to benchmark comparisons that if the comparison is very simple "it inevitably leaves some important measures out." Too often, local government benchmarks are reduced to some single statistic which may explain less rather than more. Benchmarking means comparing apples-to-apples and that requires detailed knowledge. A cursory check with City departments revealed a handful of "benchmarks" which serve to highlight elements of the City's program of services (this is not an exhaustive list; space limits the recitation to a few items):

- ° Water -- Wichita has 645 customers per employee compared with a range of 261 to 439 customers per utility employee in other regional cities (a measure of efficiency in service delivery). A gallon of water in Wichita is \$.99 compared with a range of \$1.37 to \$1.92 in the other cities.

- ° Police -- Despite a lower number of Police Officers per capita, Wichita has a higher rate of clearance on crimes than some peer cities (1.89 employees per capita and a 24% crime clearance rate for Wichita versus a range of 2.11 to 2.54 employees and a crime clearance rate of 20.9% to 21.1% for the other cities).
- ° Fire -- Prevention/investigation activities reflect 5.59 positions per 100,000 population compared with the national average of 6.47 positions per 100,000 population, yet this unit has a 100% conviction rate from arson arrests.
- ° Public Works -- Wichita has a lower cost per mile for street maintenance than several peer cities in the region (\$5,924 per mile in Wichita versus a range of \$6,210 to \$8,500 for the other cities).
- ° Art Museum -- reported the highest level of exhibit activities for the fewest paid employees of the regional museums.

It is not enough to stop with competitive "benchmarks" of how we compare with others. As we develop greater awareness of quality issues in management, City government must become customer (citizen) orientated if we are to compete. As a beginning point, the City's Strategic Agenda "Mission Statement" recognizes that citizens are due the "highest consideration." Specific strategies are directed at informing citizens and involving them in decision-making, as well as handling individual complaints and requests on a timely basis. There is no systematic effort identifying the desires of the public.

Total Quality Management (TQM) as a management approach promotes improved understanding of the interdependence of the parts of the organization for an enhanced final product to the citizens of the community. For example, fleet maintenance can dramatically impact the efficiency and effectiveness of safety related field units (internal customer) and consequently, the safety of the community (external customer). Implementation of TQM requires a major commitment to change which should not be taken lightly. Consequently, a pilot program which introduces TQM to selected units is the preferred approach. Potential TQM pilot units will be evaluated based on: (1) compatibility between leadership style/philosophy and TQM; (2) compatibility between organization culture and TQM; (3) support from leadership for TQM; (4) willingness to critically evaluate operations in light of customer demand; and (5) type of activity of the unit.

TQM will also build on and shape the Strategic Agenda and the Performance Measurement system. The Strategic Agenda will necessarily be influenced by the customer orientation of TQM. For example, the Department of Parks and Recreation recently completed a survey of approximately one thousand citizens to determine park and recreation priorities of the citizens of Wichita. Such customer orientated response necessarily influences strategies for the future.

TQM will also act to shape or mold performance measurement. Continual change in performance measurement is an important ingredient of a dynamic organization. Environmental conditions and customer demands in a time of limited resources will require accelerated change in local government. TQM will enhance the value of performance measurement as a communication tool to facilitate inter- and intra- departmental communication of values, priorities, problems and solutions. As a result, performance measurement will have added value for information exchange and decision-making necessary to forge an improved, customer-orientated service. Too often, performance measurement is thought of as a punitive tool as opposed to facilitating information exchange for program improvement.

Improved management with an expanded emphasis on quality is not a single project, but an organizational commitment for the future. If a quality management concept is implemented, the collection of data and information on performance and quality will mean a larger commitment to technology; in an increasingly complex world the amount of information required to support decision-making is growing, not shrinking. It will also mean a greater commitment to human resource training/development, as well as identification of new ways to directly tie rewards to performance; a sustained commitment to improving quality in service delivery is not possible without providing positive incentives to those who will be held responsible. Nevertheless, *Total Quality Management* is being programmed for implementation in 1992.

WICHITA AREA ECONOMY

Both as a government concerned with economic growth and opportunities for its citizens, and as a public business dependent on approximately 500 separate sources of revenue (many of which are sensitive to the economy) to sustain a wide range of municipal programs and services, the City is vitally concerned with the status of the Wichita area economy.

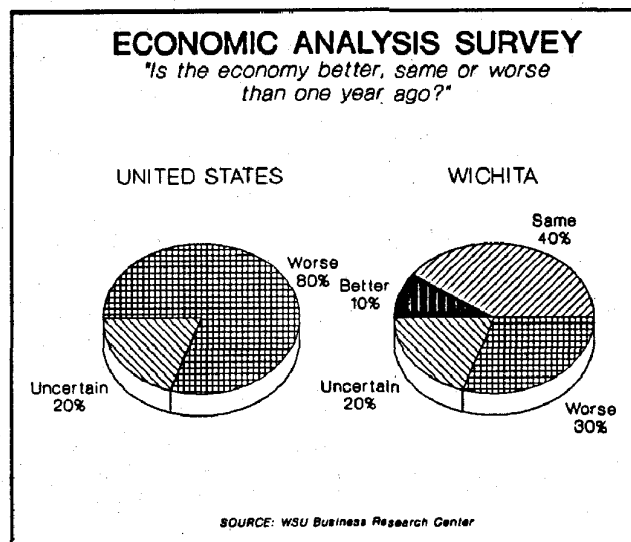
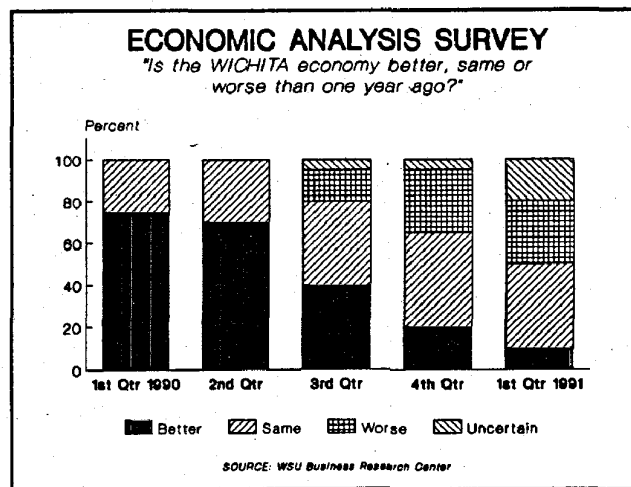
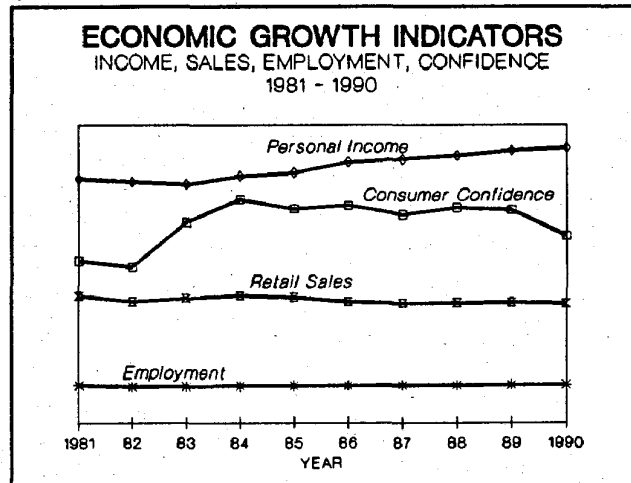
The community's effort in a joint private-public partnership for economic development has met with success. The Wichita economy is relatively strong. In the face of a nationwide recession, local economic indicators (chart at right) reflect a relatively stable local economy. Although "consumer confidence" has declined, personal income and employment levels remain high. Wichita area employment is much higher than the national averages.

Retail sales are flat with no growth (adversely impacting the City's sales tax collection). This trend remains better, however, than that experienced in other communities which have seen an actual decline in revenues.

The Wichita economy is stressed. The 1991 Budget letter reported on the results of a survey on the state of the local economy showing a solid 75% of the respondents indicating that the Wichita economy was better than the previous year, and the remainder believing that the local economy was at least not declining. Now, one year later, an update of the survey (chart at right) reveals a drop in confidence with only half of the respondents believing the economy is the same or better; the other half either believe the economy is worse or are uncertain.

On a comparative basis, the Wichita economy remains in good condition. Survey results on the national economy (chart at right) show 80% of respondents believing the economy was worse, and the remainder were uncertain; none believe the economy was the same or better. Having remained relatively stable during the recession, Wichita is well positioned to take advantage of an expected economic upturn.

As part of the private-public partnership, the City makes a \$250,000 annual contribution to the WI/SE partnership. The contribution is matched by an equal amount from the County, and from private support of WI/SE. Continuation of City participation in the WI/SE Partnership for Growth is included in the 1992/93 Budget.



1991 REVISED BUDGET

The budget includes revised estimates of current year (1991) revenues and expenditures. The procedure of revising the budget is an important element of financial management, designed to provide an updated estimate of revenue and expenditure trends in the current year and to improve budget development for the next year. Revenues above and expenditures below budgeted projections increase the City's cash reserves for future years. On balance, the over-collection of revenues and "operating" underexpenditures in the General Fund is increasing the cash reserve by \$533,191. Planned drawdowns of cash reserves for "non-operating" one-time expenses total \$5,149,420. This will leave a projected year-end cash reserve of \$7,892,596.

Significant negative changes in 1991 revenue estimates impacting the taxing funds (General Fund and General Debt & Interest Fund) include a decline in local sales tax collections (\$1,506,500) as a result of recessionary trends; reduced interest earnings (\$552,850) due to a drop in short-term interest rates; and lower than anticipated collections from fines/penalties (\$168,590), licenses/permits (\$188,340) and State-shared revenues (\$155,970). Positive changes include a higher collection of property taxes (\$80,320), motor vehicle taxes (\$334,890), sales/services (\$395,050) due to an expanded utility street repair fees, and rental income (\$259,620) due to the Colorado-Derby building acquisition. Factoring out the revenues for new/expanded activities which are offset by increased expenditures (Colorado-Derby and utility street repair), revenues were down \$1,443,969.

The revised General Fund Budget changes the Capital Investment Maintenance Program (CIMP) of \$1,018,100 to an "operating" expenditure. Additional increases in 1991 operating expenditures include the Colorado-Derby building (\$440,000) and increased utility street repair (\$475,000). The budget routinely anticipates underexpenditures of 1½%, or \$1,549,660 in the General Fund; due to recession-driven revenue losses, extraordinary cost-savings measures (a more restrictive personnel hiring freeze and delayed/deferred commodities and capital outlay purchasing) were implemented in early 1991 which are projected to save an additional \$1,300,000 by year-end. On balance, the City's 1991 Budget has weathered a mild downturn in the economy with no major reductions in services and programs.

1992 ANNUAL BUDGET

The adopted 1992 Budget totals \$211,013,216, a 2.9% increase over the adopted 1991 Budget of \$204,974,817. Both years are exclusive of sales tax expenditures for capital improvements, internal services, enterprise construction, and interfund transfers, to eliminate double counting of expenditures and co-mingling of operating and capital expenses. The differences are primarily the result of increases in employee wages/benefits, water/sewer expenses, debt service, and contractual costs.

With the exception of planned drawdowns of cash reserves and the inclusion of the Capital Investment Maintenance Program as a General Fund "operating expenditure" (necessitating a two-year phase-in of the impact), the budget is balanced -- operating expenditures are within operating revenues in keeping with City fiscal policies/practices. In all cases, total expenditures are equal to available resources as required by State law.

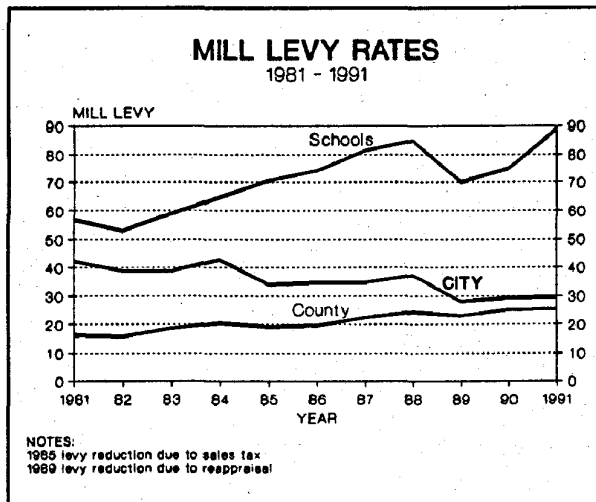
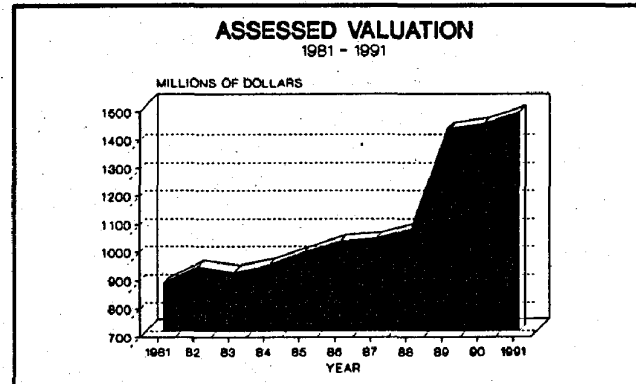
Total General Fund expenditures in 1992 are \$107,674,346, a 2% increase over the adopted 1991 General Fund Budget of \$105,529,110 (this comparison includes an appropriated reserve of \$1,623,876 for 1992). General Fund "operating" expenditures in 1992 reflect an increase of \$5,971,460 over the current "operating" expenditures Budget. Much of this increase is attributable to wage/benefit improvements, new program/service enhancements, and increased costs for existing program/service levels, as well as the technical accounting change of including the Capital Investment Maintenance Program (\$1,018,100) as an "operating" expense. Taking the latter change into consideration, the effective increase in General Fund "operating" expenditures is 4.9% from 1991 to 1992.

PROPERTY TAX MILL LEVY

The assessed valuation, the measure of property values for taxation purposes, of \$1,481,747,013 projects a growth of 2% (\$28,881,946) in the addition of new property on the tax rolls in the past year (see chart on next page). The levy required to finance the 1992 Budget is 29.607 mills, compared with 29.375 mills for the 1991 Budget, a

nominal City property tax levy increase. The City met its commitment to maintaining stable taxation during the period of uncertainty resulting from property reappraisal. Other than a State-mandated tax shift from motor vehicle property taxes to real estate property as part of the reappraisal process (a 1.36 mills adjustment), the City has maintained a stable property tax levy since the 1989 Budget year.

Final assessed values are set by the County in September of each year, after budget development is completed. It may be necessary to alter (marginally) the mill levy after the final assessed valuation is known. The amount of taxes levied (Property and Motor Vehicle combined) by the City for the 1992/93 Budget, however, are the same as those levied for 1991, excluding new improvements and annexed areas.



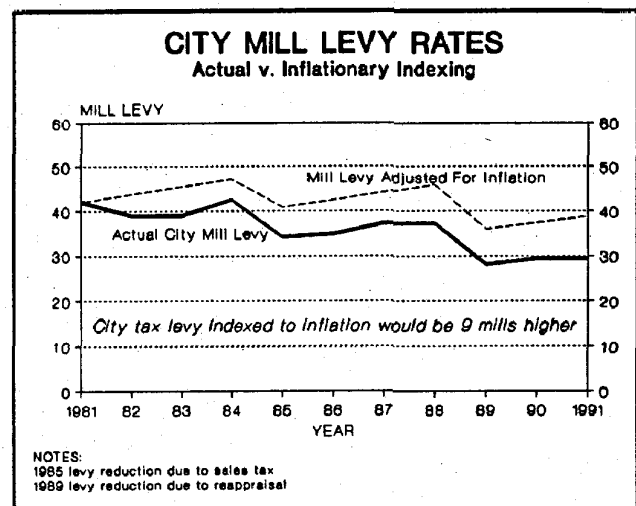
The property tax levy is divided among three primary taxing jurisdictions: City, Schools, and County (plus a 1.5 mill State levy). In examining a multi-year trend, City government remains the only local taxing jurisdiction with a tax levy that is lower than ten years ago (chart at left). The proposed 1991 mill levy of 29.6 mills is 30% lower than the City's 42.2 levy in 1981.

In line with tax collection rates post-reappraisal, the projected delinquency rate is maintained at 7% (higher than the City's historical 5% tax delinquency rate pre-appraisal). The higher delinquency rate is because of the adverse impact of reappraisal on some property owners and the continuing large number of expected appeals. This trend may abate in future budget years after reappraisal is fully implemented.

The trend of the City's declining reliance on property taxes can be seen even more dramatically when the relative impact of inflation (chart below) on City finances is added to the existing mill levy. If the levy were indexed to inflation, City tax rates would be 9 mills (30%) higher than current rates (the current growth in assessed valuation is due to community growth through new development and annexation, not inflation).

On a comparative basis with the 23 other first class cities in Kansas, Wichita's 29.4 mill levy for 1991 was 19% below the 36.2 mill average. In terms of total local levies (City, County, Schools, State combined) the Wichita area levy of 130.4 mills was 8% below the average in the same cities of 141.7 mills. (1992 comparative data is not yet available.) For every dollar in property taxes paid, less than 20% goes to support the many City services. The Schools account for 61% of the total levy. The County adds 17.5%, and the State 1.5%.

Over the last four years, the City's program of fund consolidation has reduced the number of taxing funds



from twelve (12) to two (2): the General Fund for operating expenses and the General Debt & Interest Fund for capital project debt financing. For the 1992/93 Budget, the Gas Tax and Park/Library/Art Museum funds are completely consolidated within the General Fund. The total proposed City mill levy is allocated as outlined below:

<u>City Tax Levy Funds</u>		
<u>Fund</u>	<u>1991</u>	<u>1991/92/93</u>
General Fund	19.388	19.521
General Debt & Interest	9.987	10.086
Total Tax Levy (mills)	<u>29.375</u>	<u>29.607</u>

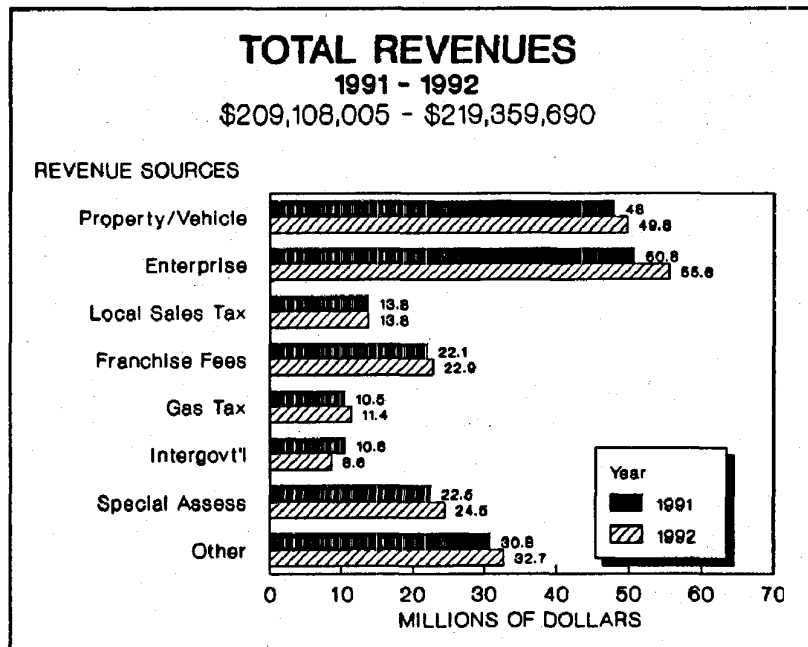
STATE PROPERTY TAX AND DEBT LID LAWS

The State Legislature has imposed a restriction on local governments (excluding school districts): "aggregate" property tax revenues in the 1990 transition year, after reappraisal, could not exceed those raised in the preceding (1989) year for funds subject to the current tax lid law (General Fund). The tax lid limitation does not apply to the City's General Debt and Interest Fund which is subject to a separate State lid on outstanding indebtedness. The City has not been materially affected by the State tax and debt lid laws; the City is more than 4.6 mills (\$6.9 million) below the operating budget tax lid and more than 28 mills (\$38 million) below the debt lid. The self-restraint of local elected officials (the past and present City Council) has and will continue to be the best public protection against excessively high taxes.

1992 ADOPTED BUDGET REVENUES/EXPENDITURES

REVENUES: The 1992 financing sources of \$219,359,690, compared to 1991 sources of \$209,108,005, are derived from the revenue sources shown on the graph at right. The 1992 Budget continues to identify additional revenue sources to maintain existing services and to help offset demands on property taxes.

Included in the budget are increased user fees/charges to more equitably place the burden of paying for the service on those using and benefiting from it. Some of the adopted increases included in 1992 are: a 6% fee adjustment at Century II/Expo Hall, Library donations or user fee increases to partially offset the cost of a new computer system, increased fine and penalty fees in Municipal Court, Police special services fees, Fire hazardous materials inspection fees, increased fees for dog licenses and swimming pool inspections, Park recreation fee increases, and an MTA bus fare rate increase.



In addition to user fees, adopted 1992 increases include a sixteen (16) percent adjustments in sewer rates to fund the odor control and other capital projects, as well as increased maintenance costs; a six (6) percent adjustment in water rates to fund water plant expansion and build fund reserves for acquisition of a new water supply.

As the City continues to grow and experience greater demands for services, the stress on City finances will increase. The City has made and will continue to make every effort to reduce costs, and will strive to make services more efficient and responsive. Because of mandates and constraints placed on cities by statewide reappraisal, together with a continuing decrease in Federal shared taxes, the City can no longer provide more services than those currently provided with the same or less property tax.

To meet the many desires of adding to and improving our community facilities, and to make our community even more attractive, future consideration should be given to several new revenue sources, including implementing a food/beverage tax and vehicle rental tax. This source could be used to enhance various community assets identified in the Core Area Initiative such as the museums, libraries, and other cultural and entertainment features, or other activities that will make Wichita a quality City. Future consideration should also be given to charging user fees to presently property tax-exempt facilities who directly benefit from Police, Fire and other public safety services without paying a share of the cost.

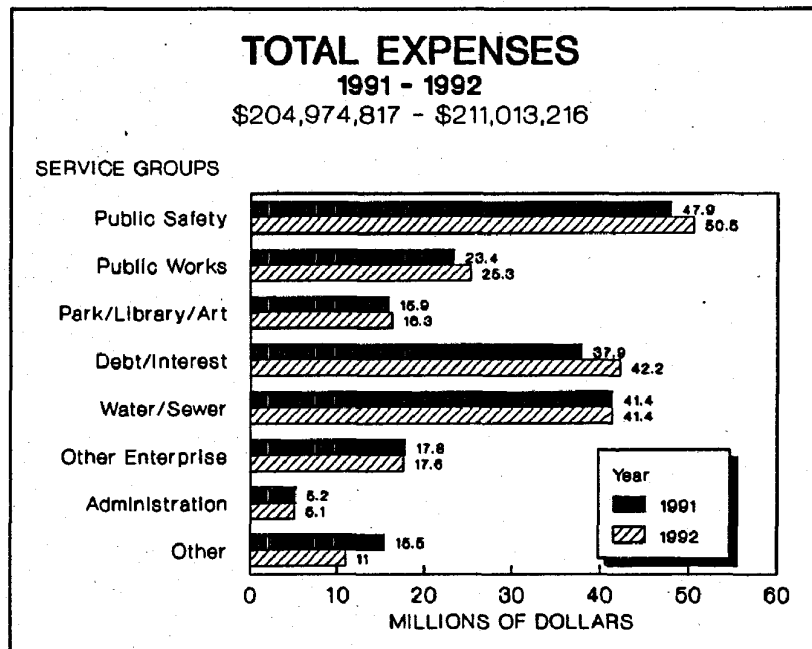
EXPENDITURES: The adopted 1992 expenditure budget of \$211,013,216, compares to 1990 expenditures of \$204,974,817. The chart at right summarizes 1992 expenditures by program/service groupings.

Personnel Costs: Salaries/fringe benefits for 1992 reflect an increase of \$5,061,580 in the budget, primarily due to the 3.5 % wage and 20% health insurance increases. Staffing levels account for 45% of the total City operation and 66% of the General Fund budget.

The 1992 Budget continues a program begun in 1991 to provide for additional employee positions to staff new or expanded services/facilities in public safety (Police and Fire), maintenance (bridges, parks and rights-of-way), inspection services, utility management, natural resource conservation, affirmative action, and cultural/recreational facilities (Art Museum, Botanica and Library).

Major New Expenditures: Increases in 1992 expenditures for new/expanded programs/services include:

Additional Police (1992)	784,780
Fire Hazardous Materials Inspection (1992)	60,000
Library/Museum/Park Enhancements (1991/92)	485,660
Increased Road/Bridge Maintenance (1992)	161,000
Expanded Sewer Maintenance (1992)	327,000



The annual growth rate in City revenues should normally be sufficient to offset increasing expenditures to sustain existing programs and services. New or expanded programs beyond 1992 will require either increased revenues (including a mill levy increase), or reductions in less essential programs and services.

1992 ADOPTED GENERAL FUND BUDGET

The total 1992 revenues for the General Fund are projected at \$105,032,370. This amount compares with the 1991 adopted budget of \$100,556,000. A graphic summary of General Fund revenues is shown (at right). The (ad valorem) property tax represents only 27% of total General Fund revenues.

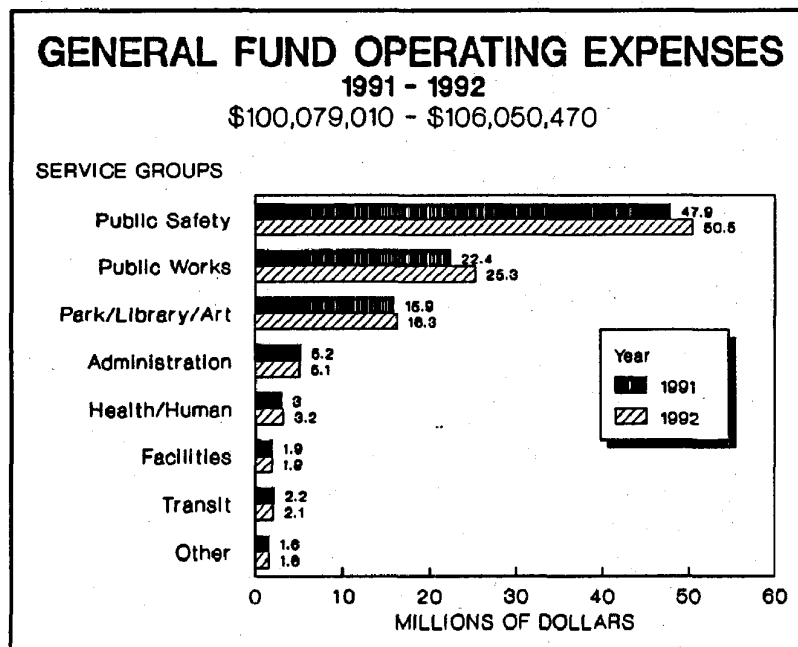
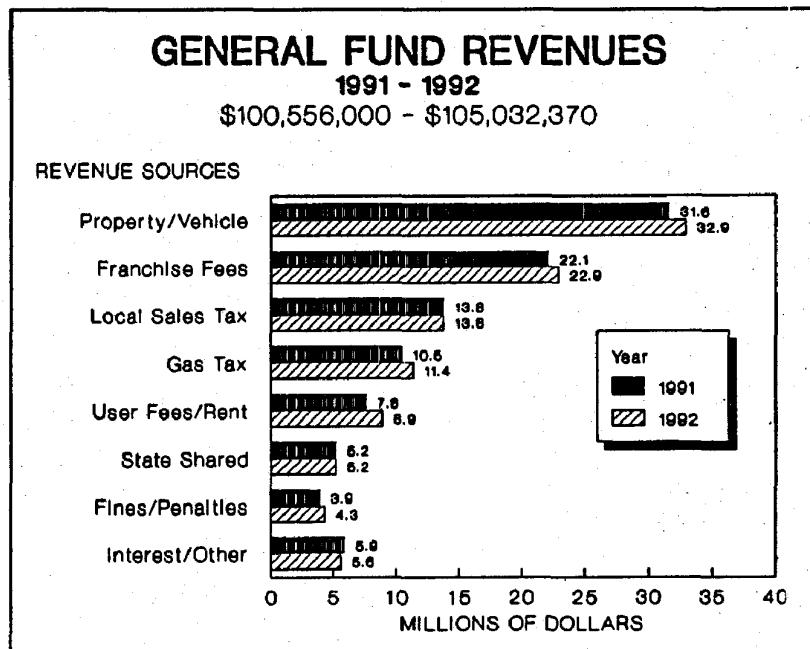
General Fund budgeted "operating" expenditures are \$106,050,470. General Fund expenditures (by program/service grouping) is also graphically shown below.

The General Fund shows annual revenues less than "operating" expenditures (by \$1,018,100) in 1992, due entirely to including the Capital Investment Maintenance Program as an "operating" expenditure. It will be necessary to

identify extraordinary cost-savings, realize higher than forecasted revenues to close this one year gap, or draw down

cash reserves. The City maintains assets of approximately 1,520 miles of streets, alleys, and bridges, and more than 120 buildings and parks with an estimated replacement value of more than \$1.5 billion. The Capital Investment Maintenance Program provides a special fund for the maintenance of these capital assets. Proper and timely maintenance of these assets will increase their useful life, as well as the safety and convenience of the public.

The General Fund also includes a small contingency fund (\$300,000) for expenditures not known or anticipated at the time of budget preparation. If this amount is exceeded (e.g. storm damage, etc.) the additional cost would be absorbed from reserves.



The year-end 1992 General Fund cash/fund balance is estimated at \$6,874,496, or approximately 6.5%. State law permits maintenance of a 5% unappropriated reserve and 10% appropriated reserve for a total 15% maximum.

ESTIMATED BUDGET FOR 1993

The estimated 1993 Budget is \$212,089,630 in expenditures. In the General Fund portion of the 1993 Budget, expenditures are estimated at \$107,282,220 with an amount of revenue exceeding expenditures of \$1,546,760 for allocation to employee wage/benefit improvements or new programs. A 20% medical insurance cost increase (the equivalent of a 1.2% across the board wage increase) is already included in the 1993 Estimate, but no base wage increase is estimated. The 1993 Estimated Budget uses the current mill levy rate as a basis for projection.

CASH RESERVES

Throughout the budget development process, staff was cognizant of the need to project realistic cost estimates and revenue forecasts for future years to ensure financial stability and prevent operating deficits. The 1992 General Fund is projected to have a \$6.9 million ending cash balance, an approximate 6.5% of revenues. The importance of maintaining reserves is to properly manage adverse revenue changes during the year and to ensure an adequate carryover operating fund balance to avoid sharp increases in the City's mill levy in the future, or cut-back management practices. Projected cash reserves within a 5-10% range should be maintained during the two-year (1992/93) budget period. Given the diversity of the City's revenue base, the General Fund reserve should be maintained as close to the high end of the range as possible. Other funds maintain separate reserves at levels based on the fiscal circumstances of each fund.

TAX EXEMPTION/ABATEMENT IMPACTS

The City Council grants tax abatements to encourage economic growth and development. These abatements have been primarily granted with the issuance of Industrial Revenues Bonds (IRBs). In 1986, the Kansas Constitution was amended to authorize local governments to grant property tax exemptions for certain economic development purposes (creation of new jobs, expansion of facilities, and acquisition of equipment/machinery). The impact of the IRB and Tax Exemption on City tax revenues is estimated below.

<u>Tax Exemptions/Abatements 1990 - 1991</u>		
<u>Authority</u>	<u>1990</u>	<u>1991</u>
Industrial Revenue Bonds	\$365,302	\$670,708
Tax Exemption Policy	106,216	111,944
Total Exemptions/Abatements	<u>\$471,518</u>	<u>\$782,652</u>
Mill Levy Loss Equivalent	<u>.35</u>	<u>.58</u>

Available information on the Tax Exemption policy indicates that through 1991, 655 new jobs will be created generating an increased annual payroll of \$12,628,810 by 27 firms receiving tax exemptions. The City Council has previously set a \$175,000 annual limit on new tax exemptions.

IMPACT OF REAPPRAISAL AND CLASSIFICATION

A major issue that has impacted the preparation of the 1989 through 1992 Budgets is state-wide property reappraisal and classification. The 1985 Kansas Legislature approved a plan for state-wide property reappraisal. All counties in Kansas were required to complete this reappraisal by January 1, 1989.

The voters of Kansas approved a State Constitutional amendment in 1986, which provided for classification of property for property tax purposes. That classification permitted assessment of property as follows:

<u>Property Use</u>	<u>Assessment</u>
Residential & Vacant Lots	12% (fair market value)
Commercial/Industrial	30% (fair market value)
Motor Vehicles	30% (fair market value)
Machinery/Equipment	20% (fair market value)
Agricultural	30% (use value)

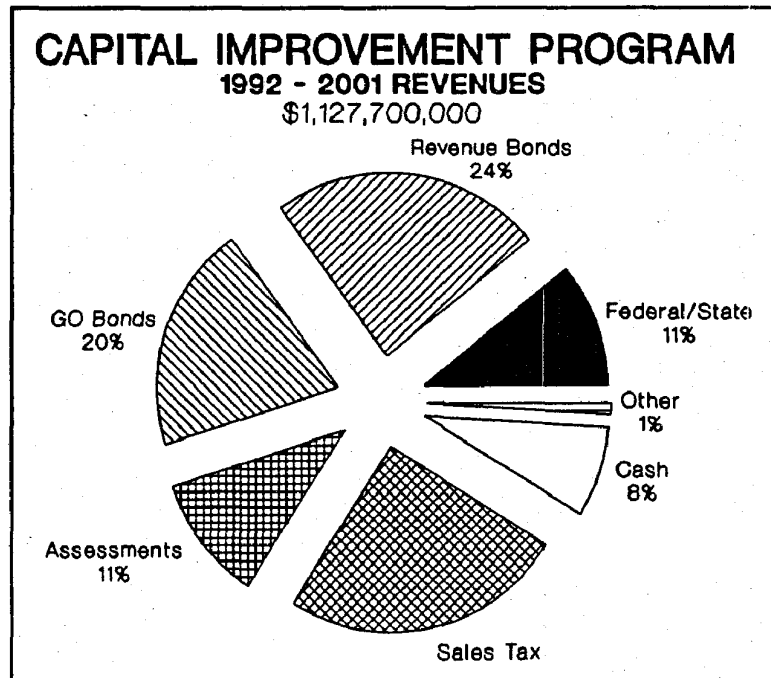
For taxation purposes, the implementation of both the property reappraisal and classification initially occurred with tax levies made in 1989 to fund the 1990 Budget. In the year following the reappraisal transition (1991 Budget), the City experienced a major tax shift. The Motor Vehicle tax is computed on the basis of the county-wide average of real property tax mill levy rates for the preceding year. Because reappraisal substantially increased assessed valuations, mill levies dropped. The county-wide average mill levy declined proportionately and (because motor vehicles are, and will continue to be, assessed at 30% of fair market value) reduced the City's revenues from Motor Vehicle taxes by approximately \$1.6 million. This was the equivalent loss of 4.6% of the City's property tax revenue base. The State Legislature offered no revenue offset to this loss except a shift to the property tax mill levy. It is expected that the aggregation of individual tax appeals, especially for commercial property, will continue the uncertainty resulting from reappraisal for an extended period.

CAPITAL IMPROVEMENT PROGRAM

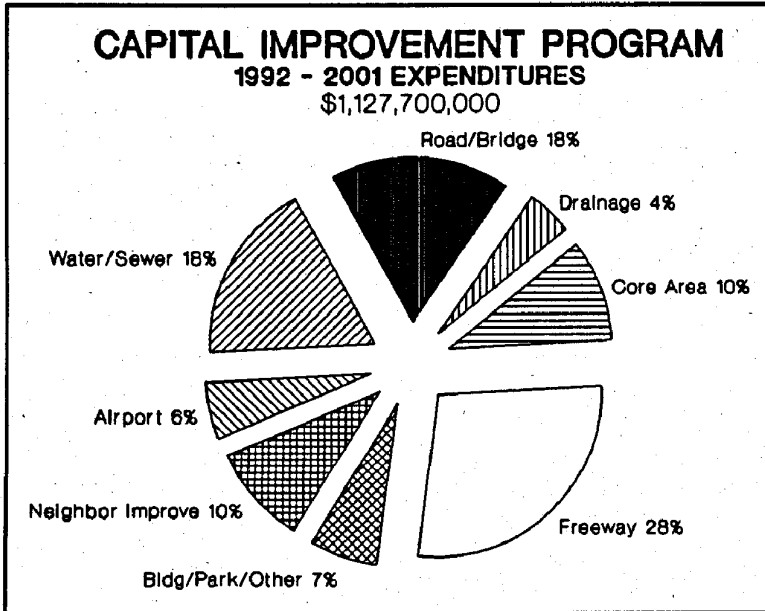
A new 1992-2001 Capital Improvement Program (CIP) is presently under development. The preparation of the capital budget is following established CIP guidelines adopted by the City Council in tax levy support (9.8 mills adjusted for reappraisal impacts) and bond financing terms (ten year, level principal and interest) for general obligation debt. The CIP has undergone a major format revision. Considerable effort has already been made to include a more comprehensive overview of capital needs in the community -- even those projects which cannot be funded within the time period for capital project planning. The time horizon of the CIP has also been extended from six to ten years for improved project planning, especially for freeway construction, water supply project scheduling, and the Core Area Initiative.

Based on earlier projections, the ten-year program is estimated to cost \$1,127,700,000. This number is subject to revision as the new CIP is developed and as the specific project schedules and financing projections come closer to realization.

The chart (at right) identifies the estimated resources available for capital projects.



The improvements and financial work plan for the ten-year period contemplate no increases over existing tax levy support. Property taxes account for approximately 12% of the ten-year program costs. In addition to (mill levy supported) bonding, revenues to support this program will be principally derived from sales taxes, special assessments, utility income, and Federal/State assistance. The program assumes that annual contributions of \$4 million from local sales taxes will be allocated for arterial street improvements to enhance traffic flow throughout the City.



Federal/State allocation of highway funds have been designated. Earlier CIP estimates projected up to \$135 million in Federal/State funding; projects within the City only received approximately \$65 million. A review of the local financing options (e.g., bond financing) of freeway construction costs is underway.

Additionally, alternative means for financing certain capital projects categories is under study, e.g., a Storm Drainage Utility and an expanded Core Area Initiative.

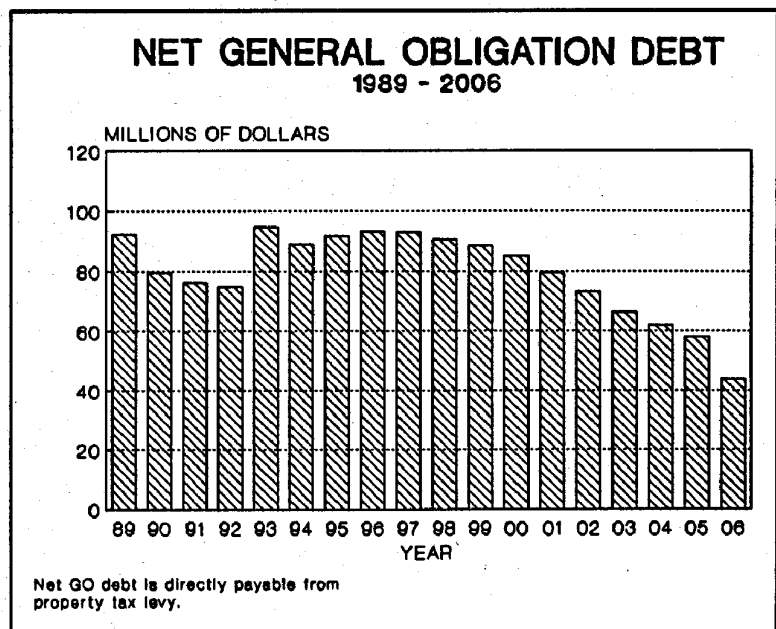
A contingency amount has been provided to stabilize the plan should any short-term variances occur in revenues or construction costs. The 1990 reserves in the General Debt service fund will be maintained at \$2.5 million, or approximately 5% of the annual projected

revenues. The chart (above) identifies the distribution of capital projects by expenditure categories.

General obligation debt outstanding, excluding special assessment and revenue bonds, is scheduled to decrease during the program period. This reduction is from a projected \$92.2 million indebtedness (\$314/capita) in 1989 to \$53.7 million (\$173/capita) in 2006. The chart (at right) shows the projected level of bonded indebtedness for the eighteen-year period from 1989 - 2006 (the chart includes the impact of new debt to be issued during the period).

The CIP provides for the option to reduce the issuance of general obligation bonds for annually recurring capital projects beginning in 1998. At that time, the City could utilize savings in debt service to begin financing capital projects on a "pay-as-you-go" basis, or utilize the future debt capacity to fund current projects by deferring debt principal payments to later years in the CIP.

Detailed information on the 1992 - 2001 CIP will be available in the separate CIP document to be published in the near future.



BUDGET PROCESS

BUDGET DEVELOPMENT

The preparation of the 1992/93 Budget is the product of a team approach. For the 1991/92 Budget, a Budget Review Cabinet was used to work with budget staff to assist the Manager's Office in evaluating departmental requests and framing a budget within the established guidelines. The Cabinet, comprised of management representatives from various departments, reviewed each department submittal and made recommendations for the 1991/92 Budgets. A critical element of the budget development guidelines was the relationship of proposed expenditures to the City's Strategic Agenda.

This process was established not only to assist the Manager in the formulation of the budget, but to foster an even better understanding of the City's fiscal operation and cooperative relationship among the departments. It also provided a means to reduce possible duplication of services and equipment to realize increased economies and efficiency in municipal operations.

Following receipt of the Budget Review Cabinet's recommendations, the Manager and Finance staff reviewed all activity budgets and finalized the fiscal program that is recommended to the City Council. As a follow-up to 1991/92 Budget, the efforts of the Budget Review Cabinet in reviewing the City's work program were carried forward in the Adopted 1992 Budget and the Estimated 1993 Budget.

BUDGET ADMINISTRATION AND PERFORMANCE REVIEW

The adopted budget establishes appropriation and expenditure levels. The existence of a particular appropriation in the adopted budget, however, does not automatically mean funds will be expended. Because of the time span between preparing, adopting the annual budget and the end of the budget year, as well as rapidly changing economic factors, each expenditure will be reviewed prior to any disbursement to ensure maximum utilization of available funds. These expenditure review procedures will assure compliance with City requirements and provide some degree of flexibility for modifying programs to meet changing needs.

As more constraints are placed on municipal operations, the need for an ongoing program of work load analysis and program evaluation becomes even more critical. Such analysis helps ensure the efficiency and responsiveness of City operations and identifies areas that should be improved. To implement a systematic plan for program review, City departments have identified quantitative measures of program performance and have begun to record ongoing data to monitor program performance against expectations. In this way, the City Council and management will have critical information in the future upon which to make important decisions about allocation of resources and the appropriate methods for service delivery to ensure cost effectiveness and efficiency. The implementation of performance measurements is a multi-year process. Current performance measures are presented by department, in a companion (cross-referenced) document to the annual Budget.

BUDGET FORMAT

The adopted Budget for 1992/93 continues the efforts to improve the budget presentation format. These format changes include:

- (1) **Multi-Year Financial Planning:** Complementing efforts to unify and simplify the budget, this budget document continues to present a multi-year operating budget forecast for review by the Council. The need for multi-year financial planning was outlined in the Strategic Agenda, and its importance is highlighted by the projections of adverse fiscal impact over the last several years due to property reappraisal.
- (2) **Consolidation of Funds:** Continuing effort in fund consolidation is reflected in combining the General, Park/Library/Art Museum and Gas Tax funds with the General Fund. This fund consolidation emphasizes a goal of improved cost accounting (and cost recovery where appropriate) for each program, and permits the Council the greatest degree of financial flexibility in policy making.

- (3) Personal Services Savings: The budget was constructed with acknowledgment given to cost savings that may result from personnel (staffing) vacancies. Using the average annual employment turnover trends, the personal services costs (in the taxing funds) are budgeted at a 98.5 percent level in 1992/93.
- (4) Budget/Financial Report Reconciliation: The 1992/93 Budget has been developed so fund/account descriptions and amounts correspond to the Comprehensive Annual Financial Report. This format change will permit direct comparison of budget allocations and expenditures, consistent with governmental accounting standards.

IMPROVING AND ECONOMIZING OPERATIONS

The budget continues to focus on ways to reduce costs and do more with less. New and innovative management techniques must be developed and skillfully applied if the City is to continue to provide responsive municipal programs/services at a reasonable cost to the public. To assist in this effort a special \$500,000 "Savings Incentive Program" was established beginning in 1990 to "loan" money to City departments who can implement cost efficiencies and recover start-up expenses from the savings in annual operating expenses.

Increased efficiency through modification in the organizational structure of City government, purchase of labor-saving equipment and implementation of new, and less costly, methods to provide services are ways in which the City can substantially reduce or stabilize costs to keep City services within the desired budget limitations. A few of the areas proposed for study and/or implementation include:

- (a) Continue work on the recommendations of the Privatization Task Force to evaluate specific services for the most economical approach to service delivery, including contracting or privatization.
- (b) Continue use of "loaned executives" from business and education to provide managerial and technical assistance to assist in operational improvements and efficiencies.
- (c) Continue and expand use of performance measurement and service level indicators to allow for problem identification, resource allocation, improvement of service effectiveness and increased productivity.
- (d) Expand efforts in grantsmanship by actively pursuing Federal/State assistance to improve and revitalize the downtown area, housing, streets, public safety, parks, and cultural programs.
- (e) Continue evaluation of the Police operations study recommendations, and initiate a Fire operations study (planned) to identify more efficient means of service delivery in these two large departments.
- (f) Study the management and organization of Central Inspection to increase the efficiency and responsiveness of inspection services.
- (g) Review the administrative operations of the Municipal Court operation to ensure efficient use of personnel and proper financial controls.
- (h) Complete inventory and sale of all public-owned property that is no longer needed for public purposes. The goal of this program is to restore property for private use and increase the tax base.
- (i) Explore feasibility of automated parking citations and parking enforcement to reduce costs and improve detection of stolen vehicles and improperly registered or licensed vehicles.
- (j) Study feasibility of consolidating maintenance activities of the City, including park, streets, water and sewer, to determine if better utilization of workforce and lower costs could be achieved.
- (k) Implement the space utilization study in City Hall to allow for more efficient use of space, improve efficiency and citizen convenience.

- (l) Develop employee incentive programs to encourage and reward employees for innovation and implementation of cost-saving measures in City programs and services.
- (m) Continue to explore the feasibility of transferring operation of various cultural facilities, such as Art Museum, Cowtown, Indian Center, Botanica, Omnisphere, etc., to private trust or nonprofit groups in order to enhance the attractions and relieve tax support.

COUNCIL POLICY DETERMINATIONS

The annual budget is a policy document for the City Council -- the point when the governing body is asked to approve a level of public programs and services as well as the revenue and taxing policies to support those services for the coming twenty-four months. Accordingly, the City Council was requested to provide guidance/direction on many revenue, expenditure, and other policy issues in the 1992/93 Budget, including the following:

REVENUES

- (1) Property Tax -- A stable City property tax levy (29.607 mills) was maintained for the Adopted 1992 and Estimated 1993 Budgets. Depending on future Council policy decisions on service levels and employee compensation, a property tax increase may be required for 1993.
- (2) Water Rates -- Rate increases (6% each in 1992 and 1993) are required for plant expansion and acquisition of a future water supply.
- (3) Sewer Rates -- Rate increases (16% for 1992 and 10% for 1993) are required to fund treatment plant odor control (6% of the 1992 rate increase) and other capital projects to meet environmental standards and facility expansion needs, as well as increased maintenance costs.
- (4) Fines/Penalties Fees -- Based on a survey of fine/penalty fee rates in other cities, an increase in fines/penalties, as well as the addition of a Court Administrator and other organizational changes, an increase in Police/Court-generated revenues of \$600,000 was accepted.
- (5) Fire Hazardous Materials Inspection Fees -- A \$40 per inspection fee (for inspections ranging from quarterly to once every three years, depending on the amount and type of on-site hazardous materials) was approved, contingent upon new fees paid by businesses with hazardous materials. Other fire inspection fees and services are under review and may be submitted for later Council consideration; however, the hazardous materials inspection program is the only item specifically included in the adopted Budget.
- (6) Police Service Fees -- A series of fees were enacted for lab services, non-criminal explosives disposal, and alcohol-related accident investigations.
- (7) Park Recreation -- It is projected that the Park recreation programs recover only 35% of their total cost; through increased fees, marketing to increase attendance, and the addition of self-sustaining new programs, the goal is to achieve at least a 50% cost recovery level.
- (8) Dog Licensure -- The present \$5 fee was doubled to \$10 for higher cost recovery and to fund animal control cost increases.
- (9) Swimming Pool Inspections -- A \$100 annual license fee (for bimonthly inspections) was enacted to fund an annual inspection program of commercial, apartment and condominium pools.

EXPENDITURES

- (1) Additional Police Officers -- The 1991 Budget added 13 locally-funded Police Officers. For 1992, the budget adds 19 officers (plus 2 support staff) -- 7 of the Police Officers are to continue a phase-in of field

staffing levels recommended by the Police study; the remaining 12 positions provide local funds to continue previously grant-funded positions. The costs are \$438,880 in 1991 and \$784,780 in 1992.

- (2) Fire Protection -- 17 additional positions are included in the Budget for 1991/92/93 (\$591,550 in 1992); pending completion of the Station #17, 11 of the Fire positions will be filled in 1991 to increase current staffing levels to reduce overtime costs and assist with the constant staffing program.
- (3) Emergency 800MHz Radio System -- In 1991, the City and County jointly agreed to a single 9-1-1 Tax levy to fund the acquisition of a "backbone" emergency radio system in Emergency Communications; the Capital Improvement includes funding of \$2.4 million to purchase the Police and Fire portions of the new system.
- (4) Court Administrator/Transfer of the Warrant Office -- The creation of a Court Administrator position was included, to oversee the administrative affairs of the Court, review revenue collection processes, and implement management improvements. As part of the reorganization of functions under a Court Administrator, the Warrant Office is proposed for transfer from the Police Department to Municipal Court to expedite issuance of warrants/summons and improve warrant collections.
- (5) Branch Library Relocation -- Contingent upon the Library Board first evaluating the entire branch library system and identifying an improved long-term plan for branch library relocation and/or consolidation, funding is included for branch library (Minisa and Sweetbriar) relocations. One-time costs are estimated at \$207,000, with on-going costs of \$85,000 annually.
- (6) Library Computer System -- A new computer system (expanding automation support for Library staff and patron access to Library information) is budgeted at an annual cost of \$266,000 for five years. A decision to purchase is imminent. The City is funding one-half (\$133,000 annually) the new system costs and the Library Board has identified matching increased/new user fees, or private donations.
- (7) Art Museum Security -- In recognition of the greater security risks from rapidly increasing public attendance, the Art Museum budget has been increased for equipment upgrading, and additional security staff. The cost is \$25,460 in 1991, and an additional \$17,000 is included in 1992.
- (8) Human Services Youth Funding -- In 1991, the City began a pilot program to locally fund (\$50,000) costs for transportation and attendance at recreation programs by low income and disadvantaged youth. The 1992 Budget continues that effort.
- (9) Bridge Maintenance -- The condition of the City's bridges has become a concern with the loss of one bridge (Hillside) and the deterioration of other bridges faster than expected based on bridge sufficiency ratings. The adopted 1992 Budget includes \$96,000 for bridge maintenance.
- (10) Freeway Landscaping Maintenance -- The inclusion of extensive landscaping (plants and shrubs) in new freeway construction (K-96 and Kellogg) is resulting in increased maintenance costs. The adopted budget includes \$65,000 for freeway landscaping maintenance.
- (11) Sewer Maintenance -- To increase cleaning/repair of the sewer system every 5 to 7 years (as compared with the current 11-year cycle), an additional cleaning crew and a repair crew are included for 1992.

OTHER BUDGET POLICY ISSUES

- (1) Capital Investment Maintenance Program (CIMP) -- Previous budget documents included the CIMP as an "non-operating" expenditure. The revised 1991 and the 1992/93 Budgets change the CIMP to an "operating" expenditure ensuring that CIMP expenses are not dependent on the use of cash savings in excess of reserve requirements. This change is intended to more accurately reflect the policy intent of the City Council at the time the CIMP was created.

- (2) Grant-Funded Positions -- The City periodically receives Federal/State grants which fund personnel in various departments (Police, Health, Public Works, etc.), as well as other expenses. Many times these grants are limited in duration, implying future commitments of local funds if the programs/services are to be continued. Several examples of this impact on the local budget are included in this budget document. The Council may wish to determine whether a policy statement should be developed to either incorporate the future requirement for local funding in the grant acceptance decision, or provide specific notice to City departments and program/service recipients of the intent not to continue grant-funded programs and positions beyond the term of the grant.
- (3) Facility Overhead Expenses -- The City operates numerous branch libraries, recreation centers and swimming pools. These facilities have been approved on an incremental basis over a period of several decades, and require large tax subsidies to sustain overhead expenses for operations and maintenance. It is requested that the Council provide some policy direction on whether staff should undertake a comprehensive review of the activity levels and cost recovery from user fees of these facilities with the intent to explore facility consolidation to reduce overhead costs while ensuring that all areas of the City and income levels of the citizenry continue to be served.
- (4) Funding Cap on Cultural Facilities -- Various cultural facilities (Art Museum, Botanica, Cowtown, Indian Center, etc.) continue to seek increases in City funding for operational support and/or capital improvements, while securing and retaining private funds without consideration given to reducing the tax subsidy of these facilities. The Council is requested to address whether a cap should be placed on the level of public tax funding of these facilities.
- (5) Transfer of Riverside Zoo to the County -- Several years ago, the City Council approved continued operation of the Riverside Zoo on the basis that public funds would be matched by private funds. For 1991 and 1992, no private funds have been forthcoming to support the operational costs of the Zoo, and the entire operational expenses for the Zoo have been absorbed by the Park Department budget (\$52,000 annually). As an alternative, the Council is requested to provide direction on whether City staff should formally approach the County to ascertain interest in a transfer of the Riverside Zoo to the County for operation as a satellite facility to the larger County Zoo.


CONCLUSION

A number of budget goals and strategies were established to guide the formulation of the 1992/93 budget. Some of these included:

- Maintain and improve quality of essential services.
- Implement strategic agenda improvements.
- Evaluate revenue sources to support new services/projects.
- Increase efficiency/economy in City services/operations.
- Explore alternative delivery of public services.
- Examine organizational structures/staffing.
- Maintain operating reserves.

The 1992/93 Adopted Budget addresses these goals/strategies and continues to maintain the City's financial stability while addressing critical needs and essential services. The budget presents a balanced program of services and makes a rigorous effort to control operating costs while providing for quality programs and services important to the citizens of Wichita.

Respectfully submitted,


Chris Cherches
City Manager

Acknowledgements: Formulating and preparing a budget document of this kind is the result of countless hours of work by many individuals. Department Heads (and their Staffs) worked diligently and are commended for their efforts. Special thanks and appreciation are extended to the Finance Staff for their long hours and hard work: Director of Finance Ray Trail, and Kelly Carpenter, Barbara Ciboski, Rob Raine, Robert Lancaster, Tony Zimbelman, Charalambos Charalambous and Lisa Kelly.

CITY OF WICHITA 1992 / 93 ANNUAL BUDGET

ALL FUNDS SUMMARY OF FINANCING SOURCES 1990 TO 1993

(Excluding Local Sales Tax Capital Improvement Fund, and Enterprise Construction Funds)

SOURCES BY TYPE	1990 ACTUAL	1991 ADOPTED	1991 REVISED	1992 ADOPTED	1993 ESTIMATED
General property taxes	\$38,850,530	\$41,370,190	\$42,006,480	\$42,541,310	\$43,784,490
Motor vehicle tax	8,761,665	6,675,755	7,010,650	7,311,390	7,738,010
Local sales tax	13,152,268	13,832,000	13,157,500	13,806,130	14,323,860
Gas tax	9,819,896	10,541,150	10,540,600	11,398,500	12,015,580
Franchise fees	21,013,217	22,115,370	22,338,600	22,893,990	23,309,080
Water/sewer utility fees	33,899,043	36,219,000	36,479,990	40,577,210	44,097,740
Other enterprise fees	15,046,395	14,610,630	14,300,860	15,040,730	15,181,430
Internal service revenues	19,612,259	21,288,830	20,689,960	22,595,240	24,565,060
Special assessments	21,193,040	22,491,400	22,841,060	24,460,290	25,876,590
Operating grants/shared revenue	8,021,667	10,618,720	8,360,090	8,639,370	8,893,950
Transient guest tax	2,115,919	2,739,750	2,616,560	2,721,230	2,830,080
Fines and penalties	3,098,449	3,868,590	3,700,000	4,302,530	4,302,530
Interest earnings	10,663,335	6,877,010	8,124,560	7,023,790	7,909,650
Charges for services	5,144,257	5,688,720	6,153,010	6,868,820	6,440,690
Other revenues	15,677,914	12,623,510	13,639,101	15,025,450	14,038,580
Appropriated surplus	4,601,128	5,266,930	6,287,810	4,629,080	2,572,280
GRAND TOTAL SOURCES	230,670,982	236,827,555	238,246,831	249,835,060	257,879,600
Interfund transactions	(27,637,107)	(27,719,550)	(28,788,351)	(30,475,370)	(32,186,820)
NET FINANCING SOURCES	\$203,033,875	\$209,108,005	\$209,458,480	\$219,359,690	\$225,692,780

CITY OF WICHITA 1992 / 93 ANNUAL BUDGET

ALL FUNDS SUMMARY OF EXPENDITURES BY MAJOR CATEGORY 1990 TO 1993
(Excluding Enterprise Construction Funds and Local Sales Tax Capital Improvement Fund)

CATEGORY	1990 ACTUAL	1991 ADOPTED	1991 REVISED	1992 ADOPTED	1993 ESTIMATED
Salaries and wages	\$63,875,748	\$72,017,330	\$68,383,260	\$71,912,450	\$73,272,310
Employee benefits	18,574,852	20,930,960	19,886,960	22,088,320	22,470,470
Subtotal personnel	\$82,450,600	\$92,948,290	\$88,270,220	\$94,000,770	\$95,742,780
Contractual services	41,373,514	43,204,572	42,751,950	48,027,980	49,822,290
Commodities	14,942,186	12,329,760	12,119,200	12,289,650	12,432,940
Capital outlay	8,969,518	6,633,990	9,430,850	9,257,990	9,396,120
Transfers-out	6,018,344	5,400,390	8,130,010	8,245,260	7,498,190
Debt service	62,377,526	58,354,570	53,745,470	60,363,340	60,380,200
Other	11,898,790	13,975,655	15,762,721	14,704,036	14,178,330
Gross expenditures	228,030,478	232,847,227	230,210,421	246,889,026	249,450,850
Interfund transactions	(34,230,120)	(27,872,410)	(32,027,922)	(35,875,810)	(37,361,220)
TOTAL EXPENDITURES	\$193,800,358	\$204,974,817	\$198,182,499	\$211,013,216	\$212,089,630

CITY OF WICHITA 1992/93 ANNUAL BUDGET

ALL FUNDS SUMMARY OF EXPENDITURES 1990 TO 1993

(Excluding Local Sales Tax Capital Improvement Fund and Enterprise Construction Funds)

EXPENDITURES BY FUND	1990 ACTUAL	1991 ADOPTED	1991 REVISED	1992 ADOPTED	1993 ESTIMATED
General Fund	\$96,969,082	\$105,529,110	\$104,643,260	\$107,674,346	\$107,282,220
Debt Service	39,904,422	37,890,355	40,371,570	42,241,050	41,717,940
Subtotal tax levy funds	136,873,504	143,419,465	145,014,830	149,915,396	149,000,160
Tourism and Convention	2,347,016	3,063,980	2,845,750	2,995,940	3,135,520
Special Alcohol Programs	648,425	712,162	677,370	726,380	726,560
Special Parks and Recreation	691,970	775,240	759,171	704,790	718,890
Landfill/Waste Management	805,768	930,880	1,371,190	1,567,130	1,444,530
Central Inspection	2,850,754	3,042,400	3,090,150	3,296,180	3,401,470
Subtotal special revenue funds	7,343,933	8,524,662	8,743,631	9,290,420	9,426,970
Airport Authority	14,666,087	10,990,680	11,354,880	11,998,510	11,714,530
Golf Course System	1,649,358	1,653,180	1,731,250	1,697,480	1,839,390
Metropolitan Transit Authority	4,789,005	5,189,060	5,043,060	5,222,050	5,435,520
Sewer Utility	14,439,410	16,021,060	16,272,970	18,182,870	18,896,160
Water Utility	25,212,505	25,390,850	21,113,750	25,873,770	26,371,500
Subtotal enterprise funds	60,756,365	59,244,830	55,515,910	62,974,680	64,257,100
Data Processing	2,153,249	2,491,820	2,686,450	2,446,660	2,481,050
Fleet and Buildings	9,256,337	5,523,130	5,593,490	6,784,740	6,929,610
Self Insurance Fund	10,357,722	12,843,940	11,771,260	14,572,040	16,436,390
Telecommunications	360,662	215,830	265,830	265,830	268,810
Stationery Stores	928,706	583,550	619,020	639,260	650,760
Subtotal internal service funds	23,056,676	21,658,270	20,936,050	24,708,530	26,766,620
GROSS EXPENDITURES	228,030,478	232,847,227	230,210,421	246,889,026	249,450,850
Interfund transactions	(34,230,120)	(27,872,410)	(32,027,922)	(35,875,810)	(37,361,220)
TOTAL ANNUAL BUDGET USES	\$193,800,358	\$204,974,817	\$198,182,499	\$211,013,216	\$212,089,630

NOTES